GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:369
ANSWERED ON:08.08.2002
FOREIGN ORDERS TO BHEL
P.D. ELANGOVAN;TUFANI SAROJ

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government have provided any incentives to the BHEL for having performed exceedingly well in gettingorders from foreign countries during the last two years and in the current year;

(b) if so, the details thereof along with foreign orders won by BHEL and the total amount of work done during the last two years and till date;

(c) whether the Government are considering the expansion of BHEL;

(d) if so, the details thereof;

(e) whether the profit of BHEL is declining continuously; and

(f) if not, the details of profits and losses of this company during each of the last three years?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BALASAHEB VIKHE PATIL)

(a) to (f): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (f) of the Lok Sabha Starred Question No.369 to be answered on 08.08.2002 raised by Shri P.D. Elangovan and Shri Tufani Saroj regarding foreign orders to BHEL.

Government attaches high priority to increase export operations by BHEL.BHEL has been able to succeed in global competition vis-Ã -vis multinationals such as General Electrics, Alstom, Siemens, etc. and has bagged substantial orders in foreign countries - Oman, Iraq, Azerbaizan, China, Bangladesh to name a few.Government believes that BHEL, which is already an excellent Undertaking, should compete in the International Market on the basis of its own strength by focusing on productivity, quality and innovation. As such, separate incentive has not been given to the BHEL.However, the `Navratna` status and consequent increased delegation of powers, and continuance of such a status, is an ongoing recognition of this PSU and an incentive for continued achievements.

BHEL has won total export orders worth Rs. 1515 crores during the past two years and Rs. 315.2 crore up to June this year. The Physical Export Turnover during the corresponding period stood at Rs. 1232 crore and Rs. 64 crore respectively.

The Government is keen on increasing the turnover and productivity of BHEL without resorting to any physical expansion of its manufacturing capacity. The strategy is to achieve optimum utilization of existing capacity and increase export turnover through increase in productivity and efficiency through R & D efforts.With a view to have a pro-active approach to export promotion, the Government has constituted a Task Force under the chairmanship of Secretary (HI&PE), with representatives of concerned Ministries, such as Ministries of External Affairs, Finance, Commerce and BHEL.

Despite global recession, BHEL has been successful in maintaining a fair level of operational profits.The Profit Before Tax for the years 1999-00, 2000-01 and 2001-02 were Rs. 865 Crore, Rs. 294# Crore and Rs.672 Crore respectively. The Profit After Tax for the corresponding period were Rs. 599 Crore, Rs. 313# Crore and Rs. 474 Crore respectively

for 2001-02, results are after statutory audit and subject to Govt. audit. # Decline in profit is partly due to impact of wage revision and Voluntary Retirement Scheme (VRS).